



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE
October 7, 2005

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SCHWARZENEGGER REJECTS REAL REFORM, VETOES LEGISLATION TO EXPAND COLLEGE OPPORTUNITY

*Angelides-Backed Proposal Would Have Reformed State's Mismanaged
Real Estate Bureaucracy, Made College a Reality for More Californians*

SACRAMENTO, CA – California State Treasurer Phil Angelides issued the following statement regarding Governor Schwarzenegger's veto of Assembly Bill 593, legislation establishing the California Hope Endowment. The bill could have generated up to \$2 billion in new revenues over the next decade – without raising taxes – to help more California students prepare for and attend college.

“Today, Governor Schwarzenegger rejected real reform. The legislation Governor Schwarzenegger vetoed would have expanded college opportunity for young Californians without raising taxes and reformed an inefficient and wasteful state bureaucracy. In the so-called ‘year of reform,’ Governor Schwarzenegger has embraced the status quo and as a result, California’s future will suffer.

“To compete in the 21st Century economy, California must invest in the future of our young people and produce the best trained teachers, engineers, scientists and business people. Sadly, Governor Schwarzenegger has made it even more difficult for the next generation of Californians to attend and succeed in college by raising fees and slashing funding for education at nearly every turn.

“I am grateful to Assembly Majority Leader Frommer and his colleagues for their leadership and support and I will continue to work to reform our real-estate bureaucracy and ensure our state’s institutions of higher education are open to every Californian.”

Authored by Assembly Majority Leader Dario Frommer (D-Los Angeles) and sponsored by the Treasurer, AB 593 would have transformed the State’s mismanaged real estate assets into a \$5 billion-plus California Hope Endowment. Under the bill, underutilized State-owned property would have been managed like a business - with financial returns directed to expand higher education opportunities for California students.

The Endowment’s revenue – estimated to be as much as \$300 million annually after start-up – would have provided financial resources over and above the amount that the State currently spends on higher education, including the amounts that Governor Schwarzenegger promised in compacts he agreed to last year with the UC and CSU.

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